

SOCIAL SECURITY: AN OPEN LETTER TO THE CONSTITUENTS OF INDIANA'S 5TH CONGRESSIONAL DISTRICT

Dear Friend:

Thank you for your interest in allowing individuals to privately invest in their own Social Security retirement. You may be interested to know that I am a proud cosponsor of H.R. 4895, the **"Individual Social Security Investment Program Act of 2004,"** introduced by Representative Sam Johnson (TX-3) on July 22, 2004. I firmly believe that Social Security must not be touched for current or near retirees, yet it must be transformed to individual accounts for younger generations because the existing program is not sustainable for the long term. Giving people the option to invest in a personal retirement account will allow them to build a nest egg rather than build expectations of benefits from the Federal government that won't be there.

Those who wish to remain in the traditional Social Security system would be free to do so, accepting a level of benefits payable only to the extent current revenues cover those benefits. However, individuals born on or after January 1, 1950 would be allowed to divert their half (6.2%) of the payroll tax into individually-owned, privately-invested accounts. Those who choose to do so would agree to forgo all future accrual of retirement benefits under the traditional Social Security system. And, individuals born after 1982 would be required to enter the private account system.

Workers who choose the individual account option would receive a "recognition bond" based on the accrued value of their lifetime-to-date benefits under traditional Social Security. Those bonds, redeemable at the worker's 67th birthday, would be fully tradable in secondary bond markets. All proceeds would be fully deposited in the worker's individual account until the worker becomes eligible to make withdrawals.

I believe we owe it to our children and grandchildren to leave behind a legacy of sound financial planning that includes responsible Social Security. For all of these reasons, I will continue to support and work towards a successful implementation of individual investment for Social Security. Please feel free to contact me, as I greatly appreciate hearing your thoughts on these important Social Security issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Burton". The signature is fluid and cursive, with a large initial "D" and a stylized "B".

Dan Burton
Your Member of Congress